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Rep. Johnson Works to Simplify Tax Code *House Passes Bills to Help Taxpayers and Small Businesses*

WASHINGTON – With Congresswoman Nancy Johnson’s strong support, the U.S. House approved two bills Wednesday to simplify the tax code for individual taxpayers and small businesses.

The House approved the *Tax Simplification for Americans Act of 2004*, which simplifies the tax code by clarifying definitions, increasing access to easier-to-use forms and removing obsolete language. The bill:

- Clarifies the "Head of Household" filing status to reduce errors in filing status;
- Increases access to the time-saving 1040A and 1040EZ forms;
- Eliminates a number of outdated and unnecessary provisions in the tax code.

“Individual taxpayers spend more than three billion hours per year filling out tax returns and keeping tax records,” Johnson said. “It costs us \$85 billion a year just to fill out our taxes and comply with the tax code. This common sense bill simplifies the tax-filing process by making time-saving forms available to more Americans and clarifying IRS instructions.”

The House also approved the *Tax Simplification for America’s Job Creators Act of 2004*, which extends the Section 179 expensing provision for small business equipment purchases for an additional two years (2006-2007). It would also allow more businesses to use the less complicated “cash basis” method of accounting.

“America’s small businesses are the engine of our economy. This bill rightly extends the expensing program so America’s small businesses can invest in themselves, continuing to grow and create jobs.

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